

Dear Tim

Thank you for your email inviting the Insurance Council to appear before the Committee on 29 July and the earlier invitation from the Committee to provide a submission to its Inquiry into the business experience of utilising Free Trade Agreements (FTAs). We've discussed both opportunities with our members that are actively pursuing business opportunities for general insurance overseas, QBE and IAG. After careful consideration, we do not think that we can provide enough information to justify appearing before the Committee.

The Insurance Council does not want this to be interpreted as the general insurance industry not valuing the role of FTAs in creating a favourable environment for Australian businesses seeking to expand internationally, nor should it be seen as a criticism of the Department of Foreign Affairs and Trade which consults assiduously to ensure that Australian interests are progressed as far as possible in free trade negotiations.

It is the experience of our industry with the FTAs already in place (leaving aside the recently concluded North Asian FTAs) that, rather than opening new market opportunities, they have protected market access and conditions for Australian insurers through for example:

- binding existing levels of market openness;
- disciplining domestic regulatory measures; and
- guaranteeing certain legal protections for investment.

Our members are fortunate in the markets where they are active such as the USA, Thailand, Malaysia, Indonesia (under the ASEAN and NZ FTA) and Singapore, that there has so far not been a need to invoke the protection of the relevant FTA. This is not to say that this will always be the case if trade protectionism takes a greater hold as a result of world economic difficulties.

I hope these comments have been of some help.

Yours sincerely

Rob Whelan

[Insurance Council of Australia](#)